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ABSTRACT

This report describes the make-up and mission of the Commission on Workforce Quality established by the U.S. Secretary of Labor on July 11, 1988. According to the report, the commission is to conduct a year-long study on the present quality and future needs of the U.S. work force, with a report due on Labor Day, 1989. This short introductory report lists the commission members (from industry, government, and education sectors); describes the seven issues that the commission is charged to investigate; and previews the research that is planned. An appendix describes 40 papers planned by various researchers; these papers are scheduled to be released on Labor Day, 1989. (KC)

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ED305489

Report of the
Secretary of Labor

Workforce Quality

U.S. DEPARTMENT OF EDUCATION
Office of Educational Research and Improvement
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January 1988

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FOREWORD

The importance of improving the quality of the American workforce has been the subject of public debate for several years. The urgency of addressing the problem on a nationwide basis was underscored during the tenure of Labor Secretary William Brock through the *Workforce 2000* study conducted by the Hudson Institute. When I became Secretary of Labor, we initiated action aimed at developing specific next steps. During the first quarter of 1988, Secretary of Commerce William Verity, Secretary of Education William Bennett, and I collaborated in highlighting the importance of the subject, on the basis of the common concerns of the business, labor, and education communities. The need for joint action by the three agencies was obvious.

At the March 11, 1988 Department of Labor Diamond Jubilee Banquet, all three principal speakers coincidentally gave particular emphasis to the workforce quality issue. Labor leader Morton Bahr, Ford Motor Company Chairman H. A. Poling, and I all focused on the problem.

Labor, Commerce, and Education enlisted the cooperation of the National Alliance of Business. Consequently, the study *Building a Quality Workforce* was published. Its findings and conclusions accelerated the national dialogue.

On July 11, 1988, sixty of the foremost opinion leaders from labor, government, industry, and education met with the three Cabinet officials for an all-day symposium on the subject. At the conclusion of that meeting, I announced the establishment of the Commission on Workforce Quality and Labor Market Efficiency. The Commission had its first meeting, starting with a session at the White House with President Reagan, on September 19. The President urged the Commission to spend a year seeking substantive ways to improve the American Workforce. The Commission is under the chairmanship of Richard F. Schubert, President of the American Red Cross and a former Under Secretary of Labor. Twenty-one distinguished representatives of organized labor, industry, and academia have been appointed to the Commission and are hard at work. A top-notch staff of experts, under the leadership of Dr. David Crawford of the University of Pennsylvania, has been recruited to work for the Commission. The Commission's conclusions and

public policy recommendations are scheduled to be released on Labor Day 1989. I have high expectations that those findings and recommendations will contribute significantly to the health of the economy and the welfare of America's wage earner.

ANN McLAUGHLIN
Secretary
U.S. Department of Labor

COMMISSION MEMBERS

Chairman

Richard F. Schubert	—president, American Red Cross; former Under Secretary of Labor

Members

Orley C. Ashenfelter	—professor of economics, Princeton University; managing editor, *American Economic Review*
Morton Bahr	—president, Communications Workers of America (AFL-CIO, CLC)
Gary S. Becker	—professor of economics and sociology, University of Chicago; a leading scholar of human capital and related areas
Pat Choate	—vice president, Office of Policy Analysis, TRW, Inc.
Constance E. Clayton	—superintendent of schools, School District of Philadelphia, Pennsylvania
John L. Clendenin	—chairman and chief executive officer, BellSouth Corporation
Louis V. Gerstner, Jr.	—president, American Express Company
William H. Kolberg	—president, National Alliance of Business
Jose I. Lozano	—president and publisher, *La Opinion*
Gary E. MacDougal	—honorary chairman, Mark Controls Corporation
Ethel Olson	—consultant to the thrift industry

Russell E. Palmer	—dean, The Wharton School, University of Pennsylvania
Gloria M. Portela	—officer of the law firm of Chadwell and Kayser, Ltd.
Albert H. Quie	—former governor of Minnesota; president, Prison Fellowship Ministries
Isabel V. Sawhill	—senior fellow, The Urban Institute
Albert Shanker	—president, American Federation of Teachers (AFL-CIO)
John Sloan, Jr.	—president and chief executive officer, National Federation of Independent Business
Linda J. Wachner	—president and chief executive officer, Warnaco, Inc.
Lynn R. William	—president, United Steelworkers of America (AFL-CIO, CLC)
William J. Wilson	—professor of sociology and public policy, University of Chicago

PART I
Issues Before the Commission

The Commission on Workforce Quality and Labor Market Efficiency was created by Secretary Ann McLaughlin in July of 1988. Both President Reagan and Secretary McLaughlin met with the Commissioners at the convening of the first meeting on September 19, 1988. They challenged the Commission to spend the year seeking substantial ways to increase the excellence of the American workforce. The Commission's final report is scheduled for release on Labor Day of 1989.

The Commission was asked to focus on seven issues:

- the roles and effectiveness of private and public job training and education
- mechanisms for keeping education and training providers informed of the skill needs of employers and workers
- ways of accessing financial capital markets as a source of private investment in human capital
- the roles of employers, unions, and government in training and relocating dislocated workers
- the role of private and public job placement agencies in enhancing labor market efficiency
- the need for greater workplace flexibility to facilitate labor force entry
- ways to enhance worker productivity through innovative pay systems, worker participation and other methods.

In its first two meetings, the Commission has set priorities for its investigation of these seven issues. These priorities fall naturally into the categories of workforce quality and labor market efficiency.

Workforce Quality

The first three points of the Commission's charter address education and training, the major determinants of workforce quality. The Commissioners have identified three groups of individuals requiring special attention. The first group consists of those who leave the education system, mostly as dropouts, without acquiring basic language and math-

ematics skills. Having very limited labor market opportunities, these individuals are likely to find their ways into the welfare system or the underground economy. The second group has no marketable job skills beyond basic language and mathematics. They have limited labor market opportunities unless they receive additional training through schools, employers, or government training programs. This group includes young workers, just out of school, as well as experienced workers whose skills may have become obsolete. The third group consists of those preparing for highly-advanced technical professions. The concern here is that secondary schools may not be producing graduates in the required numbers or with the necessary motivation to pursue undergraduate and post-graduate study in science and engineering.

A number of studies have already focused on problems of workforce quality which can be addressed within the education system. A second tier of problems can only be addressed through "second chance" systems that serve individuals who have left the education system. There is a consensus that the Commission should concentrate on the second chance systems and limit its consideration of the education system to three areas. First, the Commission wants to examine the interface between employers and schools to see how businesses can help schools produce graduates who are qualified for entry-level positions. Second, there is interest in incentives that encourage student attendance and effort. Possible incentives include guaranteed grants for post-secondary education contingent upon high-school graduation and increased involvement of schools in job placement. Third, there is interest in exploring alternate methods of financing post-secondary education and training, such as student loans and programs modeled after the GI bill.

Labor Market Efficiency

The Commissioners decided to limit their investigation of dislocated workers because of the efforts of Secretary Brock's task force on dislocated workers, a recent report on dislocated workers by the National Academy of Sciences, and passage of the Omnibus Trade and Competitiveness Act of 1988 and the Worker Adjustment and Retraining Notification Act. The Commission intends to focus on the delivery and coordination of services under these acts as well as under the Job Training Partnership Act and Trade Adjustment Assistance. The Commission also will examine the issue of mobility incentives that could be created by changes in the unemployment insurance system.

With respect to placement agencies, the Commission expects to explore two issues. The first is the effectiveness of the Employment Service as a job placement agency. The second is the prospect of public school involvement in placing non-college bound students in entry-level positions.

Several Commissioners have expressed interest in the types of workplace flexibility needed by employees to cope with balancing work and family responsibilities. In addition, there is interest among the Commissioners in other flexibility topics, including part-time and part-year schedules, along with the concerns of older workers with pensions and social security rules, and the special needs of disabled workers. The discussion has focused on the appropriate role of government in analyzing available evidence and providing encouragement and information to employers regarding policies that may be in their self-interest.

The Commissioners agreed to examine a variety of vehicles for stimulating worker productivity, including gainsharing, profit sharing, and employee ownership. The Commission's role here would be to provide employers with information on "best practices" and to advise government about the tax treatment of such practices.

Finally, the members expect there will be one issue before the Commission that spans both workforce quality and labor market efficiency. The Commissioners anticipate that recommendations regarding the research and data collection agenda of the Department of Labor will be a natural by-product of the Commission's investigations.

PART II
Research

To assure that the Commissioners are well-informed and fully briefed on each of the subset issues represented in the charter of the Secretary's Commission, papers addressing 40 separate topics have been commissioned. [1] These do not involve original research, but will reflect the state-of-the-art or current intelligence on each topic. The purpose of this fact gathering and briefing process is to assist the Commissioners in making high quality recommendations for public policy, which is the end objective of the Commission's work.

The papers are grouped under the following six subject categories: Education, Training, Unemployment and Job Search, Labor Force Participation of Various Groups, Flexibility Issues, and Strategies for Productivity Enhancement. For example, the complete list of papers to be prepared under "Labor Force Participation of Various Groups" is as follows: Labor Force Participation of Older Workers; Labor Force Participation of Young Workers; Labor Force Participation Among the Economically Disadvantaged; Labor Force Participation of Dual Earner Couples and Single Parents; Cultural Issues Related to Labor Force Participation; Facilitating Women's Occupational Integration.

Paper authors include practitioners, academics, and consultants with national reputations for expertise in the subjects of the various papers. All papers are due March 1, 1989, in draft final report form. Final reports and executive summaries are due by June 1, 1989.

Activities of the Commission Staff

The Commission staff is overseeing the preparation of the background papers. In addition, the staff is developing a substantial outreach effort to build interest, elicit public input, and foster receptivity to the Commission's final conclusions and recommendations.

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[1] Appendix A briefly describes each of these papers and identifies the authors who will be writing them.

APPENDIX A
Commission on Workforce Quality and Labor Market Efficiency
U.S. DEPARTMENT OF LABOR
PAPER TOPICS AND AUTHORS
December 1988

1. **Incentives for Student Achievement**

Author: John H. Bishop
Cornell University

If current skill levels are insufficient to meet future demands, then it is important to find ways to raise those levels. Compared to students in other developed countries, students in the U.S. are underachieving at all levels. The first part of this paper will document the current degree of underachievement among American students of all backgrounds and abilities. The second part will examine available evidence on the efficacy of incentives for higher achievement. The incentives to be examined include promises of grants and loans for post-secondary education or training contingent upon high school graduation. This paper will pay particular attention to poor children since a persistent problem in their education, especially for minority poor, is one of developing a sustained level of effort that endures throughout their school careers. Another group of particular interest is students who are capable of preparing for careers in mathematics, science, and engineering.

2. **Schooling for the Modern Workplace**

Author: Russell W. Rumberger
University of California at Santa Barbara

Henry Levin
Stanford University

The behavioral requirements of the workplace are rapidly changing. As production techniques have become more sophisti-

cated, there has been an increase in the need for employees to cooperate and actively participate in the production process. An ability to troubleshoot and initiate corrective procedures is increasingly important.

These changes in the workplace have implications for school practices. As the workplace requires workers to be more active participants in the production process, schools may need to adjust methods of education to require more student participation. This paper will review what is known about the relationship between successful performance in school and mastery of the behavioral skills that are in increasing demand in the workplace. It will focus on the social-behavioral skills and attitudes that students learn in school that are transferable to (and perhaps required in) the workplace.

3. **Trends in Post-Graduate Science Education**

Author: Michael Finn
National Academy of Sciences

One of America's traditional strengths has been the inventive genius of its scientists. However, a recently released report on *Summary Statistics on Science and Engineering Doctorates* indicates that there has been a significant decline in the number of U.S. citizens receiving doctorates in science and engineering fields since 1978. For example, in 1978, 75.4 percent of doctorates in mathematics were received by U.S. citizens; in 1987 the percentage fell to 49.5. Similar trends have been observed in almost all engineering fields. Two consequences of these trends have been: (1) the allocation of larger amounts of American resources to the training of foreign nationals who are likely to return to their native countries and (2) an increase in the scientific capabilities of nations that compete with the U.S. in world markets. Concern has been expressed in many quarters about the impairment of U.S. science and mathematics education and the consequence for the U.S. economy if the inventions and discoveries that have contributed to the world leadership of the U.S. are lost to other nations.

This paper will review the current state of science and mathematics graduate education in the U.S. from an historical perspec-

tive. Particular attention will be given to trends in funding levels and their implications for the number of math and science graduate students. The paper will develop insights about the significance of present trends against past experience, likely consequences of current patterns, and the implications of these trends for government and university policies.

4. **Empowering the Schools and Teachers: A New Link to Jobs for the Non-College Bound**

Author: James E. Rosenbaum
Northwestern University

The rate at which students drop out of high school has been increasing for some time now. It is possible that many of the students who leave school early do not look at school in a positive way. School is associated with failure, and the student is looking for a way out. When such students leave school, they have neither the academic competencies to get a job nor the knowledge of where to look for a job.

Many schools are now beginning to develop strategies to correct this situation. Some schools are developing partnerships with business, bringing employers into the schools to talk with students about the kinds of jobs that are available and the skills that are needed to get them. In some communities the business community has banded together to guarantee students a job upon completion of high school. Yet another approach that is being developed is for the schools to provide student warranties; if a student gets a job and does not have the basic skills to perform that job, the school will re-educate the student at no charge.

Other approaches can be imagined. For example, employers could post their entry-level job openings in the schools, or schools could appoint a teacher to deal with job placement. This paper will review the evidence on the effectiveness of the already existing innovative partnerships between schools and business, as well

as discuss the likely effectiveness of other creative approaches that have yet to be implemented.

5. **"Second Chance" Basic Skills Education**

Author: Larry Mikulecky
Indiana University

Rad A. Drew
Drew and Associates

This paper will describe the current availability of basic skills education for adults. It will document both what is available at no cost and what is available at various prices. The paper will assess whether there is excess demand for basic skills education for adults at the current (including zero) prices. The paper will estimate the cost of providing universal access to free basic skills education to all who request it. It will also discuss mechanisms that could be used to encourage adults to participate (e.g., employer involvement, scheduling, and stipends).

The second portion of this paper will focus on high school education for adults that goes beyond basic skills. The questions to be addressed are the same as those above: current availability, costs, and evidence of excess demand.

6. **The Firm's Decision to Train**

Author: Donald O. Parsons
Ohio State University

The private sector is an important provider of training in the economy. A comprehensive understanding of how the private sector allocates its training dollars is essential in providing a basis for formulating appropriate public policies to stimulate and/or provide training. This paper will develop an economic model of the firm's decision to invest in training for its workers. The model should incorporate the distinction between general and specific training, tax rules, and alternative investments in real and financial capital. Using this model as a base, the paper will then go on to explore possible differences between large and small businesses. It will also explore the possibility of multi-employer training efforts

including apprenticeships, and discuss anti-trust barriers to such approaches. Finally, the paper will conclude with a discussion of the data that would be needed in order empirically to implement and test the model.

7a. Evidence on Private Sector Training

Author: Charles C. Brown
University of Michigan

While the private sector is an important source of training in the economy, little is known about the type of private sector training that is provided, the mechanism by which it is provided, the level of funding, or the types of individuals who receive training. Very recently, however, there have been several studies that have attempted to focus on these issues.

This paper will synthesize the results of these studies as well as collect any other available evidence concerning these matters. It will attempt to make distinctions between large and small businesses, union and non-union workers, and types of individuals who receive private sector training. The paper will make recommendations about how future data collection efforts could provide us with more information than currently exists on private sector training.

7b. Evidence on Private Sector Training

Author: Stephen L. Mangum
Ohio State University

See description 7a (above).

8a. **Introducing New Technology into the Workplace**

Author: Patricia Flynn
Bentley College

Technological advance has changed the methods of production in a wide variety of industries. It has created many situations in which machines can, to some extent, be substituted for workers. In some cases where this substitution takes place, sophisticated machinery is used in place of low-skill workers, and in other cases the machinery is used in place of relatively high-skilled workers. In almost all cases, however, this substitution requires some retraining of workers. This paper will collect and synthesize available information on the best methods for introducing new technology into the workplace. Of particular interest is techniques that can be used for continuously retraining the existing workforce.

8b. **Introducing New Technology into the Workplace**

Author: Greg Kearsley
Park Row, Inc.

See description 8a (above).

9. **Survey of Government Provided Training**

Author: Burt S. Barnow
Lewin/ICF

Laudan Aron
Lewin/ICF

Federal, state, and local governments provide funds for training through a variety of programs including: JTPA, Voc-ed, TAA, and junior colleges. This paper will begin by documenting the types of training that are being offered and the level of funding for each type of training. In discussing types of training, the author should consider the process, the content, and mechanisms used to integrate the needs of the private sector.

The paper will also document the demographic mix of the individuals who receive each type of training.

10. **The Effectiveness of Government Training Programs**

Author: Margaret C. Simms
Joint Center for Political Studies

This paper will begin with a discussion of the possible array of objectives that training and retraining programs can be designed to achieve. It will then examine the goals of current government-funded training programs. Are we training displaced workers, current workers for future jobs, raising the skill levels of the general population, or training for greater mobility, or some combination of these? The paper will then review the existing literature on the effectiveness of public job training including CETA, JTPA, and TAA, and will attempt to assess why some types of training are more effective than others and why some groups of trainees have more positive outcomes.

Based on this review and synthesis, the paper will make recommendations about which objective(s) government training programs can best fulfill, what the objective(s) of these programs should be, and the best mechanisms by which this objective(s) can be achieved.

11. **Training Strategies for Black Males**

Author: Robinson G. Hollister
Swarthmore College

Labor force participation rates among men have been declining for some time now. The decline for black men, however, has been much more pronounced. A number of hypotheses have been offered to explain this decline, and a growing empirical literature is attempting to determine the validity of these competing views. This paper will begin with a review and synthesis of the findings that emerge from this literature.

A number of authors have suggested that appropriately designed training programs could help to reverse this decline. The

paper will review the training strategies that have been used to date and will attempt to draw conclusions about the effectiveness of those strategies from the existing evaluation literature. The paper will conclude with a set of recommendations about the strategies that seem to be most promising for enhancing the labor force participation and earnings of black males.

12. **Facilitating the Flow of Information**

Author: Jorie Wilkinson Philippi
Public/Private Ventures

Gary Walker
Public/Private Ventures

To the extent that the skills that employers require of their employees are changing rapidly, mechanisms need to be developed to facilitate the flow of information between employers and the education and training communities. This paper will assess the extent to which there is, in fact, an increasing need to foster this type of communication. It will collect and synthesize the existing evidence on the effectiveness of organizations, such as PICs, that are already involved in such efforts. The paper will also review the types of programs and mechanisms that other countries are developing to facilitate information flows. Finally, the paper will conclude with a set of recommendations about what, if anything, the government should do to address this issue.

13. **Loans for Post-Secondary Education and Training**

Author: Arthur M. Hauptman
Private Consultant

James P. Merisotis
Private Consultant

This paper will consist of four sections. The first section will document the recent trends and the current availability of loans for post-secondary education by source, by demographic group, and by region. It will also include a collection and synthesis of available evidence on the response of non-government loan sources to changes in the availability of government loans. In ad-

dition, this section will discuss the impact that the changes in funding levels and sources has had on student enrollments, paying particular attention to how these impacts may vary across demographic groups. The second section of the paper will synthesize the available evidence on the collection experience for student loans. The third section will analyze the advantages and disadvantages of alternative loan schemes, including a training fund that provides income support to displaced workers who enter into an approved full-time training or retraining program. This section will also estimate the cost of universal access to loans for post-secondary education as well as the cost of restricted access (e.g., income contingent eligibility). The concluding section will consist of a set of policy recommendations.

14. The Tax Treatment of Training and Educational Expenses

Author: Eugene Smolensky
University of California at Berkeley

John M. Quigley
University of California at Berkeley

This paper will consist of four parts. The first section will describe the current personal income tax treatment of expenditures for education and training by individuals and employers, including a discussion of the treatment of graduate stipends. The second section will document the business tax treatment of education and training expenses incurred by employers. The third section will collect and synthesize available evidence on the impact that taxes have on individuals' and firms' decisions about training and education investments. The paper will conclude with a set of policy recommendations.

15. **The Unemployment Experience of the Workforce**

Author: Jonathan S. Leonard
University of California at Berkeley

This paper will summarize the frictional, structural, and cyclical trends which underlie the unemployment experience in the U.S. Issues to be considered in this regard include how trends in the burden of unemployment have been distributed across the workforce by age, sex, race, region, occupation, industry, and duration. The paper will also consider how changes in the economy (a shift toward more service and less manufacturing) have affected trends in structural and cyclical unemployment. The conclusion of this paper will focus on whether these overall trends and their underlying distribution across relevant groups are improving or deteriorating.

16. **Unemployment Insurance: The Worker's Perspective**

Author: Ronald L. Oaxaca
University of Arizona

James C. Cox
University of Arizona

It has long been recognized that the Unemployment Insurance (UI) system creates a variety of disincentives for workers to return quickly to work. The first section of this paper will collect and synthesize the available evidence on these disincentives and on the magnitudes of their impact. A number of modifications have been suggested that would either eliminate or reduce the work disincentives built into the UI system. These include eliminating the emphasis on return to a worker's previous occupation, bonuses for quick relocation, and grants to assist workers in starting a new business. Several experiments have been implemented, or are now being implemented, to test the impact that such modifications would have. The second section of this paper will review the evidence from these experiments. The final section of the paper will contain policy recommendations based on the first two sections. Given existing review papers on these issues, it is expected that the major effort of the paper will center on these policy recommendations.

17. **Unemployment Insurance: The Employer's Perspective–**

Author: Daniel S. Hamermesh
Michigan State University

Employers' decisions regarding employment stability (hiring levels, layoffs, and hours of work by employees) are likely to be influenced by the rules of the Unemployment Insurance (UI) system. For example, if the experience rating for employers' contributions is not actuarially correct, then some firms will be overtaxed and others will be undertaxed. Caps in the experience rating formulae may reduce firms' incentives to stabilize employment. Short-time compensation arrangements, used by some state UI systems, can create other types of incentives. This paper will summarize available evidence on employers' incentives associated with the UI system and the costs and benefits of these incentives. The paper will conclude with a set of policy recommendations for changes that might be made. The author of this paper may be able to draw heavily on existing review papers.

18. **Utilization of Public and Private Job Placement Agencies**

Author: Harry J. Holzer
Michigan State University

There are many mechanisms that match up job seekers and job vacancies. These mechanisms include public and private job placement agencies, want ads, word of mouth, hiring halls, and employers' "walk-in" personnel offices. This paper will examine and summarize available evidence on the utilization and efficacy of these and other mechanisms. With respect to utilization, the paper will address demographic, occupational, industrial, and regional patterns. The paper will address the efficacy of various methods from the viewpoints of job seekers, employers, and society.

19. **The Role of the Employment Service**

Author: Malcolm S. Cohen
University of Michigan

David W. Stevens
Human Resources Data Systems

This paper will begin with an overview of the structure, funding, and activities of the Employment Service including its roles as a labor exchange, an enforcer of Unemployment Insurance rules, and a collector of data. The paper will synthesize available evidence on the effectiveness of the labor exchange function from the viewpoints of job seekers, employers, and the economy. The paper will also address innovations that have been proposed including the potential role of government vouchers for placement services, the integration of Employment Service functions with other government programs, and other suggestions.

20. **Labor Force Participation of Older Workers**

Author: Richard V. Burkhauser
Vanderbilt University

Joseph F. Quinn
Boston College

As the American workforce ages and labor shortages arise there is growing interest in policies that could increase labor force participation rates among older workers. This paper will summarize the available evidence regarding factors that encourage or discourage labor force participation by older workers including Social Security rules, private pension accumulation and payout rules, work scheduling, and any other important factors.

21. **Labor Force Participation of Young Workers**

Author: Harry J. Holzer
Michigan State University

As the baby boom has entered its prime working age, fewer young workers are available for entry-level positions. At the same time, labor force participation rates among young workers who are not in school have been decreasing. Labor force projections

indicate that the conjunction of these phenomena will lead to labor shortages in the future. There is a growing interest in policies that will stimulate increased labor force participation among young workers who are not in school.

This paper will summarize the available evidence regarding the factors that encourage or discourage labor force participation by young workers. The paper will also review and summarize the literature that evaluates the efficacy of policies designed to promote labor force participation among young workers such as wage subsidies and apprenticeships.

22. **Labor Force Participation Among the Economically Disadvantaged**

Author: Robert A. Moffitt
Brown University

There has been increasing concern that the United States has for some years had a growing number of individuals who are members of the "underclass." There is considerable interest, therefore, in policies that will help to integrate these people into the mainstream of the economy.

This paper will summarize the available evidence regarding the factors that encourage or discourage labor force participation by economically disadvantaged individuals. The paper will also review and summarize the literature that evaluates the efficacy of policies designed to promote labor force participation among disadvantaged individuals such as subsidized child care, wage subsidies, training programs, workfare, and apprenticeships.

23. **Labor Force Participation Among the Disabled**

Author: Monroe Berkowitz
Rutgers University

Edward Berkowitz
George Washington University

Providing mechanisms by which disabled individuals can be productive members of the labor force is an ongoing concern of the Department of Labor. This concern has become more pressing in light of labor force projections that indicate that there will be labor shortages in the future.

This paper will summarize the available evidence regarding the factors that encourage or discourage labor force participation by the disabled. Among the factors to be considered are: workplace access, job content, work scheduling, and disability benefit rules. The paper will also review and summarize the literature that evaluates the efficacy of policies designed to promote labor force participation among disabled individuals such as wage subsidies, sheltered workshops, and training programs.

24. **Labor Force Participation of Dual Earner Couples and Single Parents**

Author: Ellen Galinsky
Bank Street College

Perhaps the most important trend in the labor force in the past two decades has been the influx of women, particularly women with young children. At the same time that women with children have entered the labor force, divorce and out-of-wedlock birthrates have increased. The conjunction of these events has led to a dramatic reduction in the percentage of families where one parent stays at home. The numbers of dual earner couples and single parents who work have increased dramatically.

These trends are putting increasing pressure both on workers and their employers to find solutions that allow work and family demands to be handled responsibly. This paper will collect and synthesize the literature that identifies the salient pressures on employed individuals. It will describe the programs that have already

been instituted in the workplace and community, and assess the extent to which these programs are fulfilling employees' needs. Finally, the paper will consider substitute mechanisms that may be needed in the community and/or workplace.

25. **Cultural Issues Related to Labor Force Participation**

Author: Harriet Pipes McAdoo
MAC Research Associates, Inc.

Projections of future labor needs predict shortages and a resulting need to stimulate greater labor force participation among women and minorities than is currently being experienced. To help accomplish this, employers need to understand the demographic forces that influence the participation of these groups in the labor force (e.g., birth rates, marriage rate, etc.) and to learn whether or not specific cultural factors influence labor force participation. This understanding may provide insights into ways to accommodate any cultural influences which are found to exist. Secondary school drop out rates for blacks and hispanics, for example, may be a reflection of cultural issues which need to be addressed in new or different ways. This paper will review the existing literature and develop recommendations for appropriate employer practices.

26. **Facilitating Women's Occupational Integration**

Author: Barbara R. Bergmann
American University

Deborah M. Figart
American University

Occupational segregation can have significant effects on women's earnings and employment. It is, for example, a potentially important factor in the sex differentials in earnings. Moreover, there is evidence that sex-segregated occupations may be those most susceptible to the application of labor-saving technologies

and the disemployment effects of these technologies. This paper will review trends in women's occupational distribution and the factors influencing these trends. Based on this review the paper will discuss strategies that are likely to reduce occupational segregation.

27. **Impacts of Dependent Care Programs**

Author: Dana E. Friedman
The Conference Board

Numerous assertions have been made by employers and business groups relative to perceived positive consequences of private sector benefit and service programs related to dependent care such as child care, elder care, flexitime, leave programs, etc. Typically, such programs are said to reduce absenteeism, tardiness, and turnover, while improving employee morale, commitment, and productivity. A number of reports on firm's experiences rely heavily on employee "feelings" and managerial "perceptions."

This paper will collect and synthesize available evidence on the advantages that employers and employees realize from child and elder care programs. The review should include information and referral programs, resource and referral programs, subsidization, and outright provision. The effects to be considered include those on recruitment, turnover, tardiness, absenteeism, employee morale, productivity, and ultimately on the bottom line of profitability.

28. **Stimulating the Supply of Child Care**

Author: Dana E. Friedman
The Conference Board

This paper will begin by identifying what is known about both the current level of child care services and the impediments to the growth of that supply. It will collect and synthesize the available evidence on the types of approaches that are most and least effective in stimulating growth of child care. The paper will also discuss the roles of business, labor, government, the child care professional, and parents in stimulating child care. The paper will conclude with a discussion of the public policy implications that should be considered for expanding the supply of care.

29a. Part-Time Work

Author: Rebecca M. Blank
Massachusetts Institute of Technology

In recent years there has been an increase in the number of part-time and temporary workers in the economy. At the same time there has been a growing interest in policies that increase the flexibility of the workplace. From employees' perspectives increased flexibility makes it easier to juggle the competing demands of work and family. From the employers' perspectives flexibility makes it easier to adjust to changing economic conditions. Some observers believe that the growth in part-time and temporary employment is a solution to the flexibility problem. Others, however, see it as a problem, citing the lack of stability and fringe benefits.

This paper will consist of two major sections. The first section will begin by identifying the trends in temporary and part-time work, focusing on both the characteristics of these workers (by age, sex, skills, occupations, etc.) and of their employers (industries, etc.). It will describe what is known about the terms and conditions of part-time and temporary workers' employment including: wage rates, earnings, and fringe benefits. It will attempt to determine whether these workers are better or worse off (on an hourly basis) than equivalent full-time workers. This section will also review what is known about employers' incentives to use part-time and temporary workers.

The second section of the paper will assess the costs and benefits of part-time and temporary employment from a public policy perspective. This section will include a consideration of the responsiveness and flexibility of the economy, changing the income distribution, the burden on the unemployment insurance system, improving family life through more flexible work schedules, as well as any other relevant considerations.

29b. **Temporary Work**

Author: Heidi I. Hartmann
Institute for Women's Policy Research

See description 29a (above).

30. **Working Hours Flexibility**

Author: Graham L. Staines
Bank Street College

Ellen Galinsky
Bank Street College

In recent years there has been a growing interest in policies that increase the flexibility of the workplace. Increased flexibility makes it easier to juggle the competing demands of work and family. This increasing interest in workplace flexibility has led many observers to note that the overtime provisions of the Fair Labor Standards Act may be an impediment to achieving employment arrangements that would be mutually advantageous to employers and employees.

This paper will collect and synthesize available evidence on the current use of flexitime, shift work, and other work scheduling arrangements. It will summarize what is known about the conditions under which these arrangements are used, the benefits and costs to employees, as well as the benefits and costs to employers. It will also assess whether there is reason to think that daily and/or weekly overtime rules are limiting otherwise mutually agreeable flexitime arrangements. Finally, the paper will conclude with a discussion of the problems (legal and otherwise) that must be overcome before more flexibility can be achieved in the workplace.

31. **Mixing Careers and Child Rearing**

Author: Fran S. Rodgers
Work/Family Directions, Inc.

Charles Rodgers
Rodgers and Associates

It is well known that working mothers experience tremendous difficulty in balancing the demands of work and family. Some individuals respond by foregoing motherhood in favor of a career. Others are leaving positions in large companies for new situations where they can enjoy greater flexibility in their work schedules. This paper will collect and synthesize the available data on women's responses to balancing work and family, the results in terms of pay and advancement, and the implications for women's participation in the labor force in the face of projected future labor shortages. Issues to be considered include the extent to which women drop out of the labor force and the career paths chosen by those who continue working.

32. **The Effect of Mandatory Benefits Packages on Firms**

Author: Olivia S. Mitchell
Cornell University

This paper will review the economic arguments for and against mandating benefits such as health care and parental leave. The paper will also collect and synthesize the existing evidence on the effects (both positive and negative) of mandatory benefits from the perspectives of firms and employees. Particular attention will be given to how these effects might vary by firm size.

33. **Innovative Pay Programs**

Author: Michael H. Schuster
Syracuse University

This paper will outline the range of innovative pay programs currently being used in the economy. These include not only gain-sharing (e.g., profit sharing and cost savings programs) but also efforts to reduce fixed labor costs by substituting bonuses and lump-sum payments for wage increases. They also include efforts to tie pay more closely to individual performance with pay-for-knowledge/skill plans and merit pay programs. The effect that any of these programs may have on the economy as a whole is an important issue for investigation, and international comparisons will be made where relevant. In addition, the paper will examine any effects such programs may have on performance and productivity as well as more general benefits and costs (including the complexity of many such programs) from the perspective of the employer and of the worker. The paper will also consider the question of linkage between innovative pay programs and worker involvement in management decisions. An important part of this paper is the evaluation of the public policy interests (if any) in these various innovative pay structures.

34. **Employee Ownership Plans**

Author: Robert N. Stern
University of California at Berkeley

This paper will collect and synthesize information on the extent to which employee ownership initiatives are being used, including partial ownership through Employee Stock Ownership (ESOP's) and related arrangements. The paper will also review the available evidence about such arrangements including the effects on employee morale and performance, the number of jobs and their stability, union-management relations, and the performance and profitability of the firm. In the latter regard, the paper will evaluate the impact that employee ownership has had on the ability of firms to generate capital under terms that the financial markets would not provide. The paper will also consider whether the current tax treatment favoring ESOP's and other employee owner-

ship programs is worthwhile and whether such treatment should be expanded, perhaps in an altered form, or curtailed.

35a. Employee Participation and Involvement

Author: Thomas A. Kochan
Massachusetts Institute of Technology

Joel Cutcher-Gershenfeld
Michigan State University

John Paul MacDuffie
Massachusetts Institute of Technology

This paper will collect and synthesize available evidence on efforts to improve performance and productivity through increasing employee participation and involvement. The federal government mounted a major public policy effort to investigate and ultimately encourage such programs in the mid-1970's in an effort to improve the economy's lagging productivity. This paper will investigate the success of programs (many of which were initiated as a result of that government effort) designed to improve work performance by meeting employee's psychological needs. These include (but are not limited to) union representation, union-management committees, quality circles, quality of worklife programs, suggestion programs, opinion surveys, worker representation, "skip level" or executive interviews, grievance procedures, management training, job redesign efforts, and work simplification plans. In its conclusions the paper will consider whether the public policy interest in these innovations should be rekindled.

35b. **Employee Participation and Involvement**

Author: George Strauss
University of California at Berkeley

David Levine
University of California at Berkeley

See description 35a (above).

36. **Efforts to Solve Quality Problems**

Author: Michael J. Smith
University of Wisconsin

Conrad Fung
Francois Sainfort
Pascale Sainfort
University of Wisconsin

Employee involvement can contribute to a reduction in scrap and rework and an increase in productivity and profitability. Many firms have been involved in efforts to enhance quality through employee participation and cooperation. This paper will describe the types of programs that are being used in these quality enhancing efforts. It will also collect and synthesize the available evidence on the effectiveness of these programs. The conclusion of the paper will offer a guide to "best practices" for quality enhancement programs.

37. **Impediments to Innovative Employee Relations Arrangements**

Author: Richard N. Block
Michigan State University

Benjamin W. Wolkinson
Michigan State University

This paper will provide an analysis of whether current government programs and legislation create impediments to innovative and effective employee relations arrangements. The Department of Labor has investigated at length whether the existing labor law, as currently interpreted and applied, creates such impediments to innovations in union-management relations as well as to employee

involvement in non-union settings. This and any related efforts should be examined. The paper will also consider whether other aspects of public policy create similar impediments.

38. **Cooperative Efforts to Solve Employment Problems**

Author: William N. Cooke
University of Michigan

This paper will collect and synthesize the available evidence on the effectiveness of cooperative efforts to solve employment-related problems. These efforts involve union-management cooperation to deal with company-specific concerns and community-based, labor-management committees that deal with regional employment issues (such as creating the environment for new jobs). This paper will not only examine current experience and the lessons it provides but should also consider whether these cooperative efforts could be expanded into new areas. The conclusion of the paper will offer a guide to "best practices" for encouraging cooperative efforts where they are likely to be successful.

39. **Current Developments in Employee Benefits**

Author: Stephen A. Woodbury
W. E. Upjohn Institute

This paper will examine current developments in employee benefits. It will begin by exploring the current state of benefit plans--what kinds of workers receive what kinds of benefits--and will examine new developments such as cafeteria plans that allow workers to choose different benefit options. It will also consider the factors that underlie current widespread activity in the private sector, especially with large companies, to restructure compensation and benefit plans. The paper will consider whether current government policy toward benefit plans should be altered in order to encourage certain types of benefit arrangements and discourage others. There is at present considerable tension between employer efforts to contain and reduce benefit costs and employee interests

in maintaining adequate protection against rising health costs and in expanding benefits into new areas such as dependent care programs. The paper will develop a set of guidelines to identify the current best practices used to balance that tension.

40. **Employment Testing**

Author: Lawrence M. Rudner
LMP Associates, Inc.

For many employers, testing has proved to be a valuable tool for evaluating job and promotion applicants. The proper use of well-constructed instruments by qualified individuals can lead to increased employer and employee satisfaction in addition to increased efficiency and productivity. Since tests are never perfectly valid and since examiners are not always qualified, employment testing raises a host of issues.

This paper will examine issues related to the current status of employment testing in the U.S. Topics to be addressed include: the extent and purposes of current employment testing practices, the justification for using low validity measures based on increased efficiency, issues precipitated by different types of employment tests, and current pressures on employment testing such as affirmative action. Areas in need of further research will be identified.